

VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

March 10, 2005

Members present:

JEB SPAULDING, Vice-Chairperson, VT State Treasurer

JAMES REARDON, Commissioner of Finance & Management

LINDA McINTIRE, Commissioner of Human Resources

WILLIAM HARKNESS, VSEA member (term expiring September 2005)

CATHERINE SIMPSON, VSEA member Alternate (term expiring September 2005)

JANICE ABAIR, Retired Vermont State Employees' Association

Member(s) absent:

ROBERT HOOPER, VSEA member (term expiring September 2006)

DICK JOHANNESSEN, Governor's Delegate

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2006)

WAYNE CALDERARA, Alternate for Retired Vermont State Employees' Association

Also attending:

Donna Holden, Board Coordinator

Cynthia Webster, Director of Retirement Operations

David Minot, Director of Finance and Investments

Ellen Griggs, Kevin Kondry, Glenn Johnson, New England Pension Consultants

The Vice-Chairperson, Jeb Spaulding, called the **conference call** meeting to order at 8:04 a.m. on Thursday, March 10, 2005, in the Treasurer's Office, Montpelier, VT.

Mr. Spaulding welcomed and the Board greeted new members, Linda McIntire and Jim Reardon.

ITEM 1: Approval of minutes for February 15, 2005 and February 17, 2005

Upon discussion the Board determined not enough people available were in attendance on these dates to approve the minutes.

Approval of the minutes was postponed to the next business meeting.

ITEM 2: Discuss/Act on Disability Retirements for:

None

ITEM 3: Real Estate Recommendation from 2/17/05 meeting

Mr. Minot advised the Board the VSERS target real estate allocation was 6%, representing approximately \$66 million, of which UBS already had \$53 million. He recommended the remaining \$13 million be rounded up to \$15 million for the balance of the real estate allocation.

Mr. Johnson reviewed the real estate information and finalist presentations provided at the February 17, 2005 meeting.

On a motion by Mr. Spaulding seconded by Ms. Simpson, the Board unanimously voted to allocate \$10 million to an open-ended fund, REEF America REIT III, Inc., and \$5 million to a close-ended fund, Transwestern Investment Co., LLC – Aslan III.

Ms. Griggs will notify the managers and provide an investment schedule.

ITEM 4: Executive Session - Dwight Contract

Mr. Whitney requested this item be on the agenda, however, due to his absence no action was taken at this time.

ITEM 5: Any other business to come before the Board

Mr. Spaulding reminded the Board of the March 21, 2005 meeting where finalist presentations for international equity managers would be heard.

Next Meeting Dates:

The next meeting of the Board will be March 21, 2005.

The next disability conference call meeting of the Board will be April 14, 2005.

The next scheduled quarterly investment meeting is May 19, 2005.

Adjournment:

On a motion by Mr. Harkness seconded by Ms. Abair, the Board unanimously voted to adjourn at 8:25 a.m.

Respectfully submitted,

Donna Holden, Board Coordinator
for
Cynthia Webster, Secretary to the Board